

Michigan's Approach to the VW Settlement Beneficiary Mitigation Plan

Debra S. Swartz

**Michigan Department of Environmental Quality
(MDEQ)**

517-284-6903/ swartzd@Michigan.gov

Michigan Department of Environmental Quality Acting as Lead Agency

- Coordinating with:
 - Various MDEQ Divisions/Offices
 - The Attorney General's Office
 - The Michigan Agency for Energy
 - The Michigan Department of Transportation



October 27, 2017, MDEQ submitted Appendix D-3 to the Court

January 30, 2018, last day for Trustee to designate beneficiaries

Michigan's Environmental Mitigation Trust Allocation

- Michigan's total allocation including settlement funds from 2.0 and 3.0 liter engines with default devices is \$64.8 million.
- 15% (9.7M) will be managed by MAE for light duty zero emission vehicle supply equipment (charging stations)

Request for Information (RFI)

- A RFI was open November 29, 2016, to March 3, 2017.
- The purpose of the RFI was to solicit public input on Michigan's Beneficiary Mitigation Plan including project types, allocations, grantee match requirements, etc.
- A press release announced the RFI.
- Two webinars were held to describe the RFI and answer questions.
- MDEQ continues to take comments.

EXAMPLE BMP

2.0 liter settlement only

Volkswagen Mitigation Trust Fund Project Budget				
Settlement Total: \$60,300,000				
Appendix D - DERA Type Projects	Per Unit Cost	Unit Count	Grantee Match	Total Cost
Class 8: Local freight and port drayage (eligible large trucks)				
Drayage truck replacement (diesel or alternative)	\$ 150,000.00	20	50%	\$ 1,500,000
Local freight truck replacements (diesel or alternative)	\$ 150,000.00	50	75%	\$ 1,875,000
Class 4-8: School bus, shuttle bus or transit bus (eligible buses)				
School buses (government owned)	\$ 100,000.00	323	0%	\$ 32,300,000
Freight switchers				
Freight switchers	\$ 2,000,000.00	5	75%	\$ 2,500,000
Ferries/tugs				
Repower (diesel or alternative)	\$ 75,000.00	6	60%	\$ 180,000
Class 4-7: Local freight truck (eligible medium trucks)				
Vehicle (truck) replacements	\$ 150,000.00	50	75%	\$ 1,875,000
Recycling and garbage trucks	\$ 150,000.00	50	75%	\$ 1,875,000
Forklifts				
Material handling lift (electric)	\$ 600,000.00	3	25%	\$ 1,350,000
Appendix D - DERA Type Projects Subtotal:				\$ 43,455,000
DERA Match				\$ 2,373,000
Light Duty ZEV Supply Equipment: Level 1/level 2 fast charging				\$ 8,472,000
Staffing - 3 FTE				\$ 6,000,000
Grand Total:				\$ 60,300,000

Response to Comments

- Received 44 unique responses to the RFI from businesses, organizations and individuals.
- Summarized the responses, wrote MDEQ's response to comments document and posted to the MDEQ clean diesel website.

RFI Results

- In general, comments supported :
 - Use of funds in all 10 Eligible Mitigation Action categories.
 - Using full 15% for light duty ZEV supply equipment.
 - Requiring a percentage of match for all projects.
 - Cost effectiveness - projects that have the greatest NOx emission reductions per dollar.
 - Prioritizing air quality priority areas for funding.

Current Activities

- MDEQ continues to meet with interested individuals, companies, organizations etc.
- MDEQ participates in industry events to provide updates on the settlement and gather additional industry specific information.
- MDEQ is using all information gathered to inform the final BMP.

DERA Request for Proposals

- Diesel Emissions Reduction Act
State Allocation \$380,000 available
in RFP to be released next week for
early vehicle replacement and idle
reduction technology involving fuel
operated heaters.

Michigan Department of Environmental Quality

800-662-9278

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